

**MINUTES OF THE
BUDGET COMMITTEE**

WEDNESDAY, JUNE 4, 2008

At a **Special Meeting** of the **Budget Committee**, held Wednesday, June 4, 2008, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, J. Flynn, Gielegghem, Lund, Mijac, Rengert, Roberts, Sauger, Slinde, Switalski, Szczepanski, Tocco, Torrice and Vosburg.

Absent and excused were Haggerty and Rocca.

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:04 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Camphous-Peterson, supported by Duzyj, to adopt the agenda, as presented. **The Motion Carried.**

RECEIVE AND FILE PLANTE & MORAN'S FINAL REPORT FOR EMPLOYEE BENEFIT CONSULTING SERVICES

Contained within committee packets was a 23-page document that was prepared by Plante & Moran, which had attached to it Appendix I (13-page document), Appendix II (two-page document), and Appendix III (11-page document).

MOTION

A motion was made by Duzyj, supported by Lund, to receive and file Plante & Moran's final report for Employee Benefit Consulting Services.

Mr. Joe Rankin from Plante & Moran gave a PowerPoint presentation entitled, Macomb County Employees Retirement System. Key topics covered included: Study Goals, Benefit Structure, Retirement System Funding, Subsidized Benefits Cost, Report

Limitations, Baseline Costs, Scenario 1 - No New Plan Entrants - General County Employees, Scenario 1 - No New Plan Entrants - Sheriff's Department Employees, Scenario 2 - 1.25% Formula for New System Entrants, Scenario 3 - 1.50% Formula for New System Entrants, Scenario 4 - 1.75% Formula for New System Entrants, Summary - All Proposed Plans Versus Baseline, Hybrid Scenarios - New Formula for New System Entrants, Hybrid Scenario - With 3.0% Defined Contribution Plan New Formula for New System Entrants, Hybrid Scenario - With 6.0% Defined Contribution Plan New Formula for New System Entrants, Benefit Plan Accumulation, and Benefit Plan Accumulation (five recommendations).

Inquiry was directed to Mr. Diegel about the cost of the DROP Plan and the estimated health care savings. It was noted that the health care cost to the 70-Point Plan was not reflected in Mr. Rankin's report.

Numerous questions were directed to Mr. Rankin pertaining to his 23-page report and attachments. Specific areas discussed included the following: page 2 (average cost per year for Retirement System benefits), page 7 (projected payroll), pages 15-16 (graphs represented as a percentage of payroll), and pages 22-23 (conclusion and recommendations). Inquiries were directed to Mr. Diegel.

During discussion, Mr. Rankin informed commissioners that he had brought with him a one-page document entitled, Actuarial Equivalent at Early Retirement of \$1,000 Payable at "Normal Retirement" (Age Eligible for Unreduced Normal Retirement Benefit). Note: A copy of this document was placed in commissioners mailboxes at the conclusion of this committee meeting.

A discussion ensued with Mr. Diegel about projections on revenues and the downturn in property tax values. During discussion, Mr. Rankin was asked to overview several slides that he previously covered in his presentation.

Chair Brown called for a vote on the motion and **The Motion Carried.**

ADJOURNMENT

MOTION

A motion was made by Duzyj, supported by Tocco, to adjourn the meeting at 9:55 a.m.
The Motion Carried.

Denise M. Jacks
Committee Reporter